Declassified in Part - Sanitized Copy Approved for Release 2014/04/21 : CIA-RDP92M00732R001000040017-5

COMMENT SHEET

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то:	Office of Congressional Affairs			
FROM:	Compensation, Automation, and Planning/OP			
SUBJECT:	S. 5, Act for Better Child Care Services of 1989			
	ject bill has been reviewed by the Office of Personnel and our is as follows:			
	XNo objection.			
	X Continue monitoring/OP interest.			
	No CIA equities.			
	Seek CIA exemption.			
	XAdvise OP when enacted.			
	X Comments.			

This bill would authorize the appropriation of federal funds to be alloted to the States for child care purposes, 70 percent of which would be allocated by the States to provide direct assistance to low-income working families on a sliding fee scale. Priority would be given to families of very low income. Eligible children would be those up to age 15 whose family income does not exceed 100 percent of state median income (\$32,777 nationwide for a family of four). Parents would have complete discretion to choose from a wide range of child care services, including nonprofit and for-profit child care centers, family day care homes, school-based care, nonsectarian church-based care, and child care provided by relatives. However, as a condition of federal assistance, States would require publicly-funded child care programs to comply with a limited set of minimum health and safety standards within four years after they are established. The proposed bill would also authorize \$100 million in FY1990 for the establishment of Child Care Liability Risk Retention Groups to increase child care providers' access to affordable liability insurance through a shared risk pool system.

This bill poses no problems for the Agency's child care center. Our center is located on federal government property. Nevertheless, it is administered by a nonprofit corporation licensed in the State of Virginia. The center not only meets but also exceeds the standards required by Virginia for the operation of a child care center. Whether any of our employees whose children will be attending our child care center would be eligible to receive assistance under the provisions of this bill will depend upon the terms under

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which the States distribute the funds to eligible child care providers and to parents of eligible children. Even if the Agency child care center would be deemed ineligible to receive assistance under this bill (because we limit placement in our center to children of Agency employees and we will place children based on a lottery, followed by a first-come, first-served basis, instead of giving priority to low-income families) or if our employees would be ineligible to receive assistance only as a result of sending their children to the Agency center, these affected employees would have the option of sending their children to another child care facility that would qualify for assistance.

The authorization of funds to establish group liability insurance is a very positive and attractive feature of this bill. The child care corporation may be able to benefit from such a shared-risk insurance feature, if enacted. To participate, the Agency center would have to comply with the federal minimum child care standards established pursuant to the bill.

Following are highlights of the bill's provisions. To be eligible to receive assistance under the bill, a State would have to submit an application to the Secretary of Health and Human Services that would include an assurance that the State will comply with the requirements of its State plan designed according to the requirements of this bill. The State plan would have to include the following features: a lead agency, advisory bodies, policies and procedures, funding of child care services, activities to improve the quality of child care, activities to increase the availability of child care, distribution of funds, reimbursements, priorities, sliding fee scale, parental involvement, enforcement of licensing and other regulatory requirements (including registration requirements), and data collection. According to the requirements of the plan, only those child care providers receiving assistance under this bill or under other publicly-assisted child care programs would have to comply with the minimum child care standards established by the Secretary in addition to complying with all licensing and regulatory requirements applicable under State and local law. In distributing funds in the State, priority would be given to child care providers that, in providing services assisted by such funds, would give priority to eligible children of families with very low income and that, to the maximum extent feasible, would provide services to a reasonable mix of children (including children from different socioeconomic backgrounds and children with a handicapping condition). States receiving funds under the bill would have to require all employed or self-employed individuals who provide licensed or regulated child care services to complete at least 40 hours of training over a two-year period in subjects appropriate to the provision of child care services. Child care providers are to be encouraged to develop personnel policies that include compensated time for staff undergoing training required by this bill. The bill also encourages the payment of adequate salaries and other compensation.

23 Trach 1989
Date
Name/Signed

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